India's share in world trade

†4465 SHRI BANWARI LAL KANCHHAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the rank of India as an exporter and importer country in the world trade;

(b) the value of trade materializing during the last two years and the percentage of share of India in the world trade; and

(c) the value of goods exported during the last two years?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) According to the latest available statistics of the World Trade Organisation (WTO), India was ranked 28th as an exporter and 17th as an importer in world trade.

(b) The value of merchandise trade (exports and imports) and India's share in the world trade as reported by the WTO is given below:

Year	India's Exports		India's Imports		India's Total Trade (Exports & Imports)	
	US $ bn	% share in World exports	World US $ bn	% "share in imports	US$bn	% share in total world trade
2005	95	0.9	135 174	1.3 1.4	230	1.1
2006	120	1.0			294	1.2

(c) Total exports on financial year basis, as reported by the Directorate General of Commercial Intelligence & Statistics, (DGCI&S) were valued at US $ 103 billion during 2005-06 and US $ 125 billion during 2006-07.

Promotion of export of gems and jewellery

14466. SHRI BANWARI LAL KANCHHAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government intend to promote the export of gems and jewellery;

†Original notice of the question was received in Hindi.

(b) if so, the details thereof; and

(c) the value in terms of money of the gems and jewellery exported during the last two years?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Yes, Sir.

(b) Export of gems and jewellery has been identified as a thrust sector in the Foreign Trade Policy (2004-09). In the Foreign Trade Policy as updated on 19.4.2007, following facilities have been extended to the sector:—

(i) Import of gold of 8 carat and above allowed under the replenishment scheme subject to the import being accompanied by an Assay Certificate specifying the purity, weight and alloy content.

(ii) Duty Free import entitlement of consumables, tools, machinery and equipments for metals other than Gold, Platinum equal to 2% and for Gold and Platinum equal to 1% of FOB value of exports during the preceding financial year. In case of rhodium-finish silver jewellery, entitlement will be 3% of such jewellery.

(iii) Duty free import entitlement of gems & jewellery samples in a financial year upto Rs. 300,000/- or 0.25% of the average of last three years export turnover of gems and jewellery items, whichever is lower.

(iv) Duty free re-import entitlement for rejected jewellery upto 2% of the FOB value of exports in preceding year.

(v) Cutting and polishing of gems & jewellery, treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act.

(vi) Import of precious metal scrap/used jewellery allowed for melting, refining and re-export of jewellery. However, such import will not be allowed through hand baggage.

(vii) Gems & Jewellery exporters allowed export jewellery on consignment basis as per Rules.-

(viii) Gems & Jewellery exporters allowed to export cut and polished precious and semi-precious stones for treatment and re-import as per Rules.

In the Union Budget 2007-08 following facilities have been provided to this sector:—

(i) Import Duty on cut and polished diamonds abolished.

(ii) Import duty on unworked corals reduced from 30% to 10%.

(iii) Import duty on rough synthetic stones reduced from 12.5% to 5%.

(iv) Introduction of Income Tax on turnover basis for assessees engaged in diamond manufacturing and trading who declare profits from such activities as 8% or more of turnover.

Other facilities extended to this sector are promotion of gems and jewellery products through advertisements, publicity campaigns and participation in international fairs, organizing buyer-seller meets abroad, etc. The Government also encourages creation of training infrastructure in this sector.

(c) Export value of gems and jewellery in money terms during 2004-05, 2005-06 & 2006-07 (upto January 2007) are as under:

Year	Export value (In US Million $)
2004-2005	13,761.77
2005-2006	15,546.58
2006-2007 (upto January 2007)	12,849.79